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UNITED PRESS INTERNATIONAL
6 February 1984

General Counsel
84-639

SAN FRANCISCO
CIA SUIT
BY SUSAN GOLDFARB

A Napa Valley investor filed a $5 million lawsuit Monday against the CIA, alleging agencyagents in Honolulu should have told him the investment firm he dealt with was not backed by the government.

Between October 1982 and June 1983 Robert W. Jinks, general partner of Napa Properties, invested more than $500,000 of his own money and that of 14 other investors in a Honolulu corporation called Baldwin, Rewald, Dillingham and Wong, Inc.

Jinks said he had numerous meetings with Ronald Rewald, a name partner of the corporation, in the presence of the CIA director in Honolulu. During the meetings, Jinks said he was assured a 20 percent return on his investments because the company was part of an undercover CIA operation designed to infiltrate international banking operations and discover transfers of capital to and from communist countries.

Independent checks convinced him the meetings -- and the CIA officials' assurances of government backing -- were legitimate.

''Jinks is confident that Bishop Baldwin was run by the CIA in order to infiltrate international banking operations in order to discover transfers of capitol to and from communist countries,'' attorney Rodney Klein said. ''If Bishop Baldwin was not a CIA operation, CIA agents were negligent in not telling Jinks.''

He said the CIA agents had an ''affirmative duty to not deceive'' Jinks and the other investors into believing that their investments were backed by the full faith and credit of the United States.

''Plaintiff would not have invested in Bishop Baldwin if he had known that his investment was not guaranteed by the United States,'' Klein said.

The suit seeks $5 million in general damages, restitution of each of the investors' principals and 20 percent interest a year for each deposit.

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USA TODAY
8 February 1984

ACROSS THE USA

FROM USA TODAY'S NATIONAL NEWS NETWORK

HAWAII

HONOLULU — Failed businessman sues CIA: Investment counselor Ronald R. Rewald sued the CIA for $671 million Tuesday. A federal court order keeps the suit's grounds a secret. Rewald faces felony theft charges in the disappearance of investors' $17 million from his defunct firm. His offices were used as a CIA mail drop; the intelligence agency also reimbursed him for telephone calls. ...

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